

GOLD-MINING AND PROSPECTING.

There are several large gold-bearing areas in New Zealand. In earlier years these goldfields saw great activity, and large quantities of gold were won. In time, however, the gold became less easily won, costs rose, and, especially of late years, the price of gold fell. The ultimate effect of these combined factors was that although extensive deposits of gold were still believed to exist, efforts to discover and work them gradually languished.

One of the few redeeming features of the present economic situation, however, is the reversal of the relationship between the price of gold and its cost of extraction, making it one of the few products that stand at a premium. Revived interest in the goldfields followed naturally, and the Board decided that efforts to encourage the movement were fully justified. The work, though hard, holds an unfailing interest for those engaging in it, while it has a sustaining effect on independence of spirit, and also gives opportunity of financial independence.

Reference is made in the Board's report for last year to the grant of £2,000 made to the Mines Department for assisting some one hundred married men to go out prospecting in the autumn of 1931. With the approach of spring the Board, encouraged by results already shown, arranged to divert large numbers of relief workers to take up gold-mining activities. The Mines Department extended all its available facilities to assist the Board in this project, supplying reports on the most suitable localities and offering the co-operation of its Mining Inspectors and other organization.

The West Coast of the South Island, an important gold-mining centre in past years, was selected as the first area for placing men under a special division of Scheme No. 5. Rules were drawn up early in November, 1931, providing for payment of £1 10s. per week to married men and 15s. per week to single men for prospecting in approved localities, the men being required to provide the necessary equipment. The men retain the proceeds of gold won, with a proviso, however, that when such proceeds attain a certain figure the weekly payment may be reduced or discontinued.

Thames and Coromandel districts and the Provinces of Nelson, Marlborough, Otago, and Southland were then brought within the scope of arrangements on these lines, and a subsidiary scheme, No. 8A, was evolved for sending out self-contained parties under the leadership of experienced unemployed miners or prospectors to approved areas in which no direct supervision could be maintained. Payment to the men in these areas, either through the medium of a local body or by way of a direct subsidy, has remained generally on the basis quoted above, and with some exceptions, where special reasons apply, the men must undertake to refund to the Unemployment Board 10 per cent. of the value of all gold won during the period they are assisted up to the full amount of financial assistance given.

Arrangements have been made in some special instances, where it has been found desirable to transfer a number of men from the cities or towns to suitable localities, to advance the cost of fares, equipment, tents, &c., on condition that this cost is recoverable from the men through the proceeds of gold won as a result of the assistance granted.

Such refunds and also the general refund of 10 per cent. are utilized by the Board in meeting the expense of equipping and transferring other men to this work, with the object of making them independent of unemployment relief. The scheme, therefore, has the special advantage that expenditure from the relief funds is recoverable, and may be used over and over again.

Scheme 8A has recently been supplemented by the creation of a further subsidiary scheme, No. 8B, under which companies or syndicates may employ registered unemployed men to prospect the companies' or syndicates' claims, receiving from the Board a subsidy on the wages paid. In addition to refunding the cost of such subsidies when they reach the gold-winning stage, the companies or syndicates must further undertake not to pay any dividends or dispose of their rights until refund has been made.

By fostering these schemes the Board has attained a two-fold objective. In the first place, districts which are largely mineral-bearing are not suitable for extensive operation under the farming schemes. The gold-mining scheme has enabled unemployed men hitherto engaged on unproductive work in those districts to be placed on useful and congenial work. Secondly, by the transfer of men to gold-mining and prospecting, production of the only primary product bearing an enhanced value has been increased to a considerable extent. This is borne out by recent increases in gold-export figures.

At the present time the most extensive activities are in Central Otago, where the Board has arranged a special organization for absorbing large numbers of the unemployed on gold-mining, with the co-operation of executive committees formed from the Vincent, Lake, Tuapeka, and Maniototo County Councils. Practically every eligible unemployed man in these four counties has been placed under the special gold-mining scheme, and numbers of men have also been transferred to those districts from other centres. The possibilities of the whole area are being thoroughly explored, and the Board has arranged for suitable supervision by experienced miners, who are controlling and instructing the unemployed men in the best methods of mining and prospecting. The whole operations are superintended by a competent mining engineer. By means of special grants from the Unemployment Fund the County Councils concerned have been enabled to advance certain equipment, such as tools, tents, &c., to men unable to provide such requisites themselves. The cost of these advances is a first charge on any gold won by subsidized miners.

Evidence is already to hand that steady returns of gold are being made by unemployed prospectors in Otago, and in some instances the "strikes" have been of a sensational nature. Expressions of appreciation of the Board's assistance, and of the advice and help given by supervisors and the mining engineer, have been received.

Gold-mining operations during the winter, particularly in Otago, were necessarily restricted by weather conditions, but during the present summer, operations have been considerably extended. In September, 1932, there were over 1,400 subsidized men engaged on the goldfields. Since that date further expansion has taken place in the Board's activities in this sphere.

A considerable amount of assistance has also been made available by the Board for the construction and improvement of tracks to provide access to mineral-bearing areas and also for the building and reconditioning of water-races so that sluicing claims may be worked by unemployed men.